

Status of Mayor and City Council Referrals

2007-2008 Adopted Budget

Referral	Resolution
Measure Budget Reductions or Augmentations Against the Following Criteria: Impact on Essential Public Services, Adherence to Council-Approved Priorities, Relative Importance to Operational Efficiency, Effect on Fiscal Integrity and Flexibility, and Economic Impact and Jobs	As in the past, all budget reductions and augmentations were measured against this criteria set forth by the Mayor and City Council.
Utilize General Budget Balancing Strategy Principles as approved in the Mayor's March Budget Message for 2007-2008	The 2007-2008 Budget Balancing Strategy Principles were used by the Administration to develop the 2007-2008 Operating and Capital Budgets and 2008-2012 Capital Improvement Program.
Develop a Balanced Budget Based on Current Revenue Expectations and Expenditure Reductions	The Adopted Budget included a budget plan in the General Fund that balanced a total shortfall of \$19.9 million, which was comprised of the approximate \$16.0 million local projected General Fund shortfall and Development Fee Program shortfall of \$3.9 million.
Set Aside Funds for Each Appointee's Office and the Mayor/City Council Offices Equal to the Average Reduction Proposed for Non-Public Safety Departments	A 4.7% reduction for 2007-2008, which was the average non-public safety CSA reduction, was applied to the Mayor, City Council, and Appointee Base Budgets and included in this document.
Maximize Program Reductions to Solve Future Deficits	In the Adopted Budget, approximately 94.0% of the General Fund shortfall was balanced with ongoing solutions.
Require Personnel-Related Reductions be Ongoing Cuts	All position reductions, totaling 123 positions, were approved in this budget as ongoing reductions.
Coordinate/Pursue Grant Opportunities to Support Programs in Priority Areas	Grant opportunities for priority areas continue to be actively explored.
Avoid Budget Cuts That Lose Grants or Prevent Leveraging of Other Resources	The Adopted Budget did not contain any reductions that would cause the City to lose grant funding or prevent leveraging funds from other sources.

Status of Mayor and City Council Referrals (Cont'd.)

2007-2008 Adopted Budget

Referral	Resolution
Continue to Include the Office of the Independent Police Auditor in the Public Safety CSA	The Adopted Budget utilized the directed format.
Include Council Appointees Budget Reduction Proposals Under the Strategic Support CSA	The Adopted Budget utilized the directed format.
Identify New Proposed Additions Within CSA Proposals Rather Than the Base Budget	As in the past, the Adopted Budget incorporated this direction.
Permitting Process – Set Performance Measures for Service and Regularly Report to the Community and Economic Development Committee	As included in the Mayor's June Budget Message, a new set of performance measures for service were approved in the Adopted Budget and will be presented to the Community and Economic Development Committee for review on a monthly basis beginning fall 2007.
BioScience Initiative – Pursue, With Possible Federal Funding, a Pilot Manufacturing Facility That Allows Bioscience Innovators to Grow in San José	The San José Redevelopment Agency is considering expanding the existing BioCenter and anticipates presenting a progress report to the Community and Economic Development Committee in fall 2007. The San José Redevelopment Agency is also investigating the life sciences pilot manufacturing process and the possibilities for establishing a pilot manufacturing facility in San José. San José Redevelopment Agency staff anticipates reporting to the City Council on this item in winter 2007.
Convention Center and HP Pavilion – Return to the City Council with Funding Strategy For Improvements to these Facilities	Discussions with the San José Redevelopment Agency to fund outstanding Convention Center maintenance needs as identified by Team San José are ongoing. A funding strategy for improvements to the HP Pavilion totaling \$16.5 million, shared by HP Pavilion Management and the City, was brought forward and approved by the City Council in May 2007.

Status of Mayor and City Council Referrals (Cont'd.)

2007-2008 Adopted Budget

Referral	Resolution
Affordable Housing In-Lieu Fees – Return to City Council with Options on Implementing an Affordable Housing In-Lieu Program	In June 2007, the Housing Department and the San José Redevelopment Agency presented to the City Council and Agency Board recommendations for “Amendments to Inclusionary Housing Policy and Revised Inclusionary In-Lieu Fees.” Included in that report were recommendations to increase the in-lieu fees to amounts that more accurately reflect the actual cost of subsidizing the construction of an affordable housing unit. The recommendations were approved by the City Council and Agency Board and took effect July 1, 2007.
1 st ACT Silicon Valley and San José Downtown Association – Report to City Council with an Implementation Plan of the “Small Wonders” Phase of the Plan	The Office of Economic Development and the San José Redevelopment Agency drafted a workplan identifying small wonders initiatives, implementation team members, next steps, and implications for City and San José Redevelopment Agency budgets. This workplan was reviewed with 1st ACT Silicon Valley in May, and will be ready for City Council presentation in August 2007. Implications for the 2007-2008 City budget were identified as part of the Community and Economic Development CSA Operating Budget Study Session presentation in May 2007.
Retail Strategy – Review Retail Strategy and Identify Opportunities and Resources for Major Retailers to More Easily Get Through the Approval Process and Present to City Council Potential Sites for Retail Development	The Planning, Building and Code Enforcement Department and the Office of Economic Development will work together to coordinate and streamline proposed retail development. Staff will present potential sites for retail development to the City Council through the Community and Economic Development Committee by fall 2007. Staff is also working to develop criteria for considering conversion of non-retail land to retail uses and will make recommendations also to the Community and Economic Development Committee by fall 2007.

Status of Mayor and City Council Referrals (Cont'd.)

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Referral	Resolution
General Plan Update – Include Funding to Update the General Plan in the Proposed Budget	A total of \$820,000 was included in the Adopted Budget for a Comprehensive General Plan Update. The funding was approved to add four positions to the Planning, Building and Code Enforcement Department as well as support staff in several other departments to engage the community in preparing a land use vision to direct future growth while preserving the quality of life in neighborhoods. The General Plan Update was approved to begin in June 2007.
Review of Underused Lands – Pursue Opportunities to Make Underused Public Land and Buildings Available for More Productive Uses to Generate Income from the Private Sector	The Public Works Department Real Estate Division is currently updating data and assembling documents (title reports, deeds, environmental site assessments, etc.) as part of the effort to build a new database of City-owned properties. In doing this work, the Public Works Department has identified and commenced processing the sale of fifteen surplus properties. Staff anticipates bringing a report to the City Council, prior to the end of the calendar year, featuring a progress report on the City-Owned Property Database and identifying policy issues relating to the generation of income from City-owned property.
Property-Based Business Improvement Districts – Facilitate Efforts that Will Lead to Cleaner, Greener, and Safer Streets Along Lincoln Avenue and the Downtown and Develop a Model for Other Business Districts as Well	City and San José Redevelopment Agency staff are working with property owners to clarify base line services currently being provided in these districts, develop cost-proposals for expanding cleaning/maintenance services, and determine areas of responsibility for additional services. In June 2007, the City Council approved a resolution of intention to form a Property-Based Business Improvement District (PBID) for Downtown, which also outlined the process for establishing PBIDs in other areas of the City. In August 2007, a public hearing will be held to determine whether a Downtown PBID will be formed, which would impose assessments on the Downtown property owners to fund enhanced services. Staff is currently exploring the feasibility of a Lincoln Avenue PBID and will bring forward recommendations at a later point in time.

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Referral	Resolution
Sign Ordinance – Draft an Ordinance for Minor Modifications to the Industrial and Commercial Sign Ordinance and Develop the Scope and Proposal for Rewrite of the Sign Ordinance and Present it to City Council	On April 25, 2007, the City Council approved Planning, Building and Code Enforcement Department's recommendations for minor modifications to the Sign Ordinance Policy. Included in this budget is funding of \$150,000 to retain a consultant team to completely re-write the Sign Ordinance. The department will be bringing the updated ordinance to the City Council within 18 months.
Early Consideration of Development Proposals – Present to City Council a Process for Early Consideration of Land Use Development Proposals	The Planning, Building and Code Enforcement Department is currently updating the early consideration process for development proposals. Staff will report on these efforts to the Community and Economic Development Committee in summer 2007.
High Rise Residential – Develop Incentives for High Rise Residential Development and Present to the City Council for Action	In June 2007, the Housing Department and San José Redevelopment Agency presented to the City Council and Agency Board recommendations for “Amendments to Inclusionary Housing Policy and Revised Inclusionary In-Lieu Fees.” Included in that report was a recommendation to keep in-lieu fees for downtown high rise ownership housing at \$65,000 per unit, which is substantially lower than all other in-lieu fees. This reduced fee was approved by the City Council/Agency Board and will remain in place until 2,500 units have been completed in the downtown area, thus creating an incentive for construction of these units in the downtown core.
Helping the Homeless – Identify Steps and Resources Needed to Develop Additional Extremely Low Income Housing	A 2007-2012 Five-Year Housing Investment Plan was approved by the City Council in June 2007, which addressed the issue of finding more resources to finance affordable housing for extremely low-income households. Also, in June 2007, the City Council approved “Amendments to Inclusionary Housing Policy and Revised Inclusionary In-Lieu Fees.” that will result in increased fee revenue that can be focused on extremely low-income housing. The Blue Ribbon Commission on Ending Homelessness and

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	Solving the Affordable Housing Crisis, co-chaired by County Supervisor Don Gage and Mayor Reed, is also exploring land use and financing alternatives. Potential resources being pursued include: additional Section 8 housing certificates from the federal government and the set-aside of 100 Section 8 certificates by the Santa Clara County Housing Authority for the homeless.
Housing Trust Fund – Recommend to City Council How Best To Support a City Investment of \$250,000	The San José Redevelopment Agency included funding to support the Housing Trust Fund in their 2007-2008 Redevelopment Agency budget.
Pilot Permit Holiday Program – Bring to the City Council a Pilot Permit “Holiday” Program for Downtown Neighborhood Business Districts and Small Businesses with General Fund Reimbursements From RDA	The San José Redevelopment Agency will bring forward recommendations for a pilot Permit “Holiday” Program as part of the 2007-2008 Redevelopment Agency budget process in summer 2007.
Solar Power – Explore Opportunities for Loans and Grants to Help Pay for Capital Improvements on City Buildings to Reduce Operating Costs	The Environmental Services Department continues to explore opportunities such as grants, loans, bonds, and other mechanisms to fund energy efficiency and renewable energy improvements in the City. The department also will continue to develop and expand the City's Energy Program, through rebate applications, to help defray the up-front marginal costs of demonstrating leadership in solar power through exemplary energy efficiency.
Investing in Energy Efficiency – Create a Revolving Fund so that Energy Conservation Rebates can be Reinvested Into Green Building Projects, or Other Energy Efficient Projects, to Decrease Operating Costs	An energy rebate check totaling \$309,324, received in 2006-2007 by the Transportation Department, was approved to fund the addition of an Associate Environmental Services Specialist in the Environmental Services Department as well as related non-personal/equipment funding to implement a two-year pilot City-Wide Energy Efficiency Program. This program will concentrate on energy efficient audits, solar installation analysis for City facilities, as well as retrofitting 50 high pressure sodium fixtures with more energy efficient LED type fixtures in non-observatory restricted areas such as the Downtown.

Status of Mayor and City Council Referrals (Cont'd.)

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Referral	Resolution
<p>Water Pollution Control Plant – Identify Steps and Resources Necessary to Modernize the San José/Santa Clara Water Pollution Control Plant, Including Finding Better Uses of Biosolids, Reviewing Alternatives to Generate Sustainable Energy at the Plant, and Finding Ways to Reduce Operating Costs</p>	<p>A total of \$265.6 million was included in the Water Pollution Control Plant's approved 5-year CIP to begin to address the modernization of the Plant including the upgrade of the aging electrical distribution system and renewal of the residual solids treatment system. Included in the 5-year plan is a 1 MW Fuel Cell project which will provide clean renewable electric power using biogas produced at the plant. Also included is a scum digestion program that will eventually allow the plant to turn fats, oils and grease into renewable biogas. A Master Plan project will address critical issues facing the Plant, such as finding the best use for residual biosolids, as well as looking at more modern, energy efficient processes and equipment. The Infrastructure Management, Preventative Maintenance, and As-Built Drawing proposals approved in this budget will reduce operating costs in the long run by effectively maintaining and managing over \$2.0 billion worth of assets at the Plant.</p>
<p>Environmental Position – To Ensure Environmental Mitigations on Private Projects are Met, Assign Staff and Validate Mitigations are in Conformance with the Prior Approval Process</p>	<p>A Planner position in the Planning, Building and Code Enforcement Department was approved to be added in this budget for the Green Building Program. This position will become the Green Building Program expert for the department and will train other project managers, review new projects, and process entitlements to ensure green building principles are incorporated during project planning. Existing staff will validate that environmental mitigations are in conformance with the approval process.</p>
<p>Responsible Fleet Management – Develop a Specific Fleet Management Policy with Targets of Acquisition to Ensure that as Vehicles are Retired from our Fleet, the City Procures Vehicles Responsibly</p>	<p>The General Services and Environmental Services Departments, with input from key fleet user departments, are working together to draft a policy that will ensure that the City pursues purchasing low emission vehicles as it replaces retired vehicles. An initial draft of the proposed policy will be presented to the Transportation and Environment Committee for review and input in August 2007.</p>

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Green Building Policy Implementation – Staff the Implementation of the Green Building Policy	The Adopted Budget contains the addition of an Environmental Services Specialist position and related non-personal/equipment in the Environmental Services Department and funding in the Public Works Department for analysis and documentation services for implementation of the City's Green Building Policy that requires Leadership in Energy and Environmental Design (LEED) Silver certification at a minimum, with a goal of Gold or Platinum. In addition, a Planner position in the Planning, Building and Code Enforcement Department was approved to provide permit processing and plan review coordination services to encourage green building in the private sector.
Watson Park – Include Funds for the Next Phase of the Remediation Project and Explore the Use of RDA and Grant Funds for the Project	A total of \$5.0 million in new funding was included in the City's Adopted Capital Budget to help complete the site remediation efforts at Watson Park. Grant funding of \$750,000 is also being pursued with the California Integrated Waste Management Board for these remediation efforts. Additional funding of \$2.0 million, necessary to complete the restoration of the park facilities, will be included in the San José Redevelopment Agency's budget.
Parks Maintenance Partnerships – Report During the Budget Process on a Strategy to Allow Private/Public Parks Maintenance Partnerships	An informational memorandum regarding Parks Maintenance Partnerships was distributed as a Manager's Budget Addendum during the budget process.
Anti-Graffiti and Anti-Litter – Explore Opportunities to Build Partnerships to Continue Anti-Litter and Anti-Graffiti Efforts	The Parks, Recreation and Neighborhood Services (PRNS) Department is working with the Police Department, the Transportation Department, the County of Santa Clara, and the Mayor's Gang Taskforce to implement strategies to strengthen Anti-Litter/Anti-Graffiti activities. The Police Department has stepped up enforcement activities, PRNS is utilizing overtime resources to target problem areas, and the City and County are examining strategies to improve referrals from the court and probation systems. In addition, the first

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	Annual "Lend a Hand to Wipe Out Graffiti", a collaborative effort between the City and County to recruit volunteers to remove graffiti in their neighborhoods, was held on April 14. A total of 55 volunteers participated in this event, despite rainy weather. An informational memorandum on this subject was distributed to the City Council on March 22, 2007.
State and Federal Grants – Regularly Report to the Neighborhood Services Committee on Grant Spending and Applications for Park and Trail Projects	Park and Trail projects grant spending and applications will be reported on a quarterly basis to the Neighborhood Services Committee. The first report will be provided in fall 2007.
Aquatics Master Plan – Complete Repairs and Provide Staffing to Reopen Ryland, Alviso, and Biebrach pools and Explore the Feasibility of Public/Private Partnerships to Facilitate the Repairs	Staff has met with the County Health Inspector, the Friends of Ryland Pool, and an interested private developer to identify improvements that would be necessary in order to satisfy permitting requirements to reopen the Ryland, Alviso, and Biebrach pools. Based on that meeting, it was determined that a private partnership for the improvements was not feasible at this time and that the City would proceed with a design/build approach in order to reopen the pools for the 2008 summer season. A Community Project Advisory Committee (CPAC) comprised of representatives from the three pool areas was created to provide a forum for continued dialog with the community as the project proceeds. The initial meeting of the CPAC was held in May 2007 to review design/build specifications. An information memo on this subject was distributed to the City Council on March 21, 2007. Efforts are underway to identify funding that will allow for these repairs and recommendations for additional staffing for these sites will be brought forward for City Council consideration as appropriate. A work plan will be brought forward for City Council consideration in August 2007.

Status of Mayor and City Council Referrals (Cont'd.)

2007-2008 Adopted Budget

Referral	Resolution
Community Center Reuse and Operations – Present to City Council a Budget Proposal on Community Center Reuse	The addition of \$1.3 million and 22.2 positions were approved for the Community Center Re-Use Plan, including Northside Community Center operations. This addition makes permanent the one-time funding added in 2006-2007 to operate the Alma Senior Center, Hank Lopez Youth/Community Center, St. James Senior Center, and provide for a contract/property management team for the 19 remaining re-use sites. The funding and positions for the Northside Community Center (\$379,000, 7.2 positions) were approved on a one-time basis with the intent that an application for Healthy Neighborhood Venture Fund funding will be submitted for 2008-2009 and ongoing operations.
Parks Maintenance – Explore Allocating Remaining Enhanced Park Maintenance Reserve Funds to Restore Basic Functions for Park Maintenance	A total of \$3.0 million in Enhanced Park Maintenance Earmarked Reserve Funds were approved to be allocated over a three year period to fund 11 parks maintenance positions and contractual services in the Parks, Recreation and Neighborhood Services Department. These positions and non-personal/equipment funding will provide weekly turf mowing of all parks, provide for increased park irrigation and playground repair, increased maintenance at the Tully Community Ballfields, increased park coordination at Kelly Park, and park restroom and gate locking. An additional \$3.0 million in Enhanced Park Maintenance Reserve Funds were also approved to be transferred to the General Fund over a three year period to avoid reductions in parks maintenance staffing levels. A total of \$333,000 in reserves was also approved to fund public-private partnerships for parks maintenance activities.

Status of Mayor and City Council Referrals (Cont'd.)

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Referral	Resolution
Code Enforcement – Work Within Existing Staff Levels to Continue and Enhance Weekend Inspection Services	On March 11, 2007, the Code Enforcement Division began providing inspection and enforcement services seven days a week. The Weekend Inspection Program utilizes existing staff that are available to respond to emergency complaint referrals from the Police and/or Fire Dispatch Center and the San José Customer Contact Center. The Code Enforcement Division continues to develop innovative strategies in response to community priorities.
After-School Programs – Report to City Council on the Proposition 49 Funding Transition to Ensure No After-School Programs Service Level Reductions, and Work with the Mayor's Office through the City-School Collaborative to Evaluate After-School Programs in Light of Proposition 49	A total of 78 after-school program sites in San José are receiving Proposition 49 funds for a total of \$7.8 million (this is an increase from 37 sites for a total of \$3 million). At the request of school districts and on a reimbursement basis, the City has continued after-school operations of 7 sites (Anne Darling, Empire Gardens, Olinder, Cureton, McCollam, George Mayne, and Summerdale). The City did transition out of 8 sites (Lowell, Trace, Luther Burbank, Meadows, Dahl, Kennedy, Ramblewood, and Sylvandale). Each of these sites is now operated by a non-profit and the funding has increased from \$30,000 to \$112,500 (with the exception of Sylvandale, which is receiving \$150,000). The Parks, Recreation and Neighborhood Services Department will work with the Mayor's Office through the City-School Collaborative to evaluate these programs next year.
Include Funding for 15 Additional Police Officers – Include Funding for 15 Additional Police Officers to Help Meet Identified Priorities, Such as a Rise In Property Crimes, and to Improve Community Policing	Funding totaling \$1.6 million (\$1.3 million in the General Fund) in 2007-2008 and \$2.0 million ongoing was approved for 15 additional Police sworn positions and associated non-personal/equipment in the Police Department to meet identified priorities, such as beat patrol, property crime investigations, neighborhood traffic safety, and crime prevention activities.

Status of Mayor and City Council Referrals (Cont'd.)

2007-2008 Adopted Budget

Referral	Resolution
Safest Big City In America – Report to the City Council on Any Additional Steps Necessary for San José to Maintain its Title as Safest Big City in America	The Public Safety CSA Business Plan, found in the Public Safety CSA section of this document, discusses the additional steps necessary for San José to maintain its title as Safest Big City in America.
Truancy Abatement Programs and Crossing Guards – Truancy Abatement Programs and Crossing Guard Programs that Protect Our Youth Should Not be Reduced	No reductions to the Truancy Abatement Program and School Safety Crossing Guard Program were included in this budget. However, a reallocation of 1.69 vacant Crossing Guard part-time positions to a 1.0 School Safety Coordinator position was approved to improve the hiring, training, monitoring, and supervision of the part-time guards. This reallocation is anticipated to result in an increase in the number of staffed intersections.
Nightclubs – Report During the Budget Process on How Overtime Could be Assessed to the Nightclubs	An informational memorandum regarding Overtime Assessments on Nightclubs was distributed as a Manager's Budget Addendum during the budget process.
Fire Department Staff – Review the 2000 San José Fire Department Strategic Plan and its Response Time Data and Provide Public Safety, Finance and Strategic Support Committee an Analysis to be a Model Used for Future Staffing Needs/Service Delivery	An analysis of the 2000 San José Fire Department Strategic Plan will be brought forward to the Public Safety, Finance and Strategic Support Committee in fall 2007.
Heart Safe City – Develop a Plan to Become a Heart Safe City and Present it to the Public Safety, Finance and Strategic Support Committee	The Fire Department is currently in the process of evaluating options for becoming a Heart Safe City. Initial efforts are focused on identifying and researching successful implementations in cities of similar size and demographics. The Department will bring forward a recommended plan to the Public Safety, Finance and Strategic Support Committee in fall 2007.
Emergency Preparedness – Return to the Public Safety, Finance and Strategic Support Committee with a Report on Actions Needed to Ensure We Train Our Neighborhoods, Community Groups, and Businesses to Prepare and Respond to a Disaster	The Office of Emergency Services will return to the Public Safety, Finance, and Strategic Support Committee in October 2007 to provide an update on actions taken, as well as future activities, to train residents and neighborhoods, community groups, and businesses in disaster preparedness.

Status of Mayor and City Council Referrals (Cont'd.)

2007-2008 Adopted Budget

Referral	Resolution
<p>Airport West Property – Review and Report to City Council on Using Airport West Property for Another General Aviation Facility</p>	<p>On April 2, 2007 the Airport Commission met and provided support for an action plan regarding development options for both the non-terminal areas of the Airport as well as Airport West (former FMC) property. The plan includes preparation of two Requests for Proposals (RFPs). The first, for a consultant to assist in the analysis of alternative land uses and develop financial feasibility scenarios. The second RFP will seek a third party operator to manage the City's General Aviation area. In addition, a number of Requests for Interest (RFIs) are being processed to cargo operators, fixed-based operators, and corporate flight departments to determine interest in use of the Airport property. Most, if not all, of the RFP and RFI processes should be completed by fall 2007 and City Council action on the recommendations would be anticipated to follow. An informational memo was issued on this subject on April 2, 2007. The Airport will continue to seek the highest and best uses of the property and coordinate the processes with the Office of Economic Development.</p>
<p>San José Airport Flights – Identify New and/or Existing Resources to Increase Flights and Departures of the San José Airport and Present to City Council for Consideration</p>	<p>In 2006-2007, a new position of Air Service Director was approved as part of the budget process, to focus efforts on the retention and development of San José air service. Resources directly related to air service development include a \$250,000 approved addition in this budget specifically to support new international air service. Other air service resources include: a total of seven positions, printing and advertising funds (\$269,000), and contractual services funds (\$422,000) for legal services and economic studies, material production and distribution, strategic partnership development, and market research and enhanced air service development programs. The total Air Service Core Service budget for 2007-2008 is \$2.0 million. These funds, along with the incentive program approved last year, which eliminates first year airline fees for new service to</p>

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Referral	Resolution
	key destinations, all provide enhanced programs and incentives for the addition of air service to and from San José.
Street Maintenance and Repair – Review and Strengthen our Restoration Guidelines and Update Fund Balance Policy to Allocate Fund Balance to Street Maintenance Projects	The Public Works Department will review the Trench Restoration Guidelines and bring any recommended revisions to the City Council for consideration in fall 2007. The Operating Budget and Capital Improvement Program Policy (Policy 1-18 in the Council Policy Manual) has been revised to reflect the General Fund fund balance policy changes as approved by the City Council as part of the Mayor's March Budget Message on March 20, 2007.
Three-Year Financial Strategic Plan – Support the Budget Shortfall Advisory Group to Address City's Structural Deficit	The City Manager's Office will support the Mayor's Budget Shortfall Advisory Group that will address the City's structural deficit.
Full Disclosure Budget – Move to a Comprehensive Process Whereby Every Program, Service, and Budget that Affects the General Fund and Related Funds are Reviewed Annually; Current Service and Service Level Enhancements Should be Considered and Prioritized as Part of the Budget Process	The major elements of a full disclosure budget have been included during this budget development process including, but not limited to, providing more and clear information about: new initiatives and spending, purposes of and costs for existing programs and projects, information to put the budget in context, public access to budget information, and more opportunities for input, review, and setting priorities.
Expand the City Auditor's Staff – Include a Proposal for an Augmentation of One to Three Positions in the City Auditor's Office to Allow for More Performance Audits	The Adopted Budget includes the approved addition of a Senior Program Performance Auditor position (\$122,000) in the City Auditor's Office that will provide for increased capacity to complete performance audits and initiate an ongoing contract auditing program.
Citistat/Compstat – Work with the Mayor's Office to Review the Citistat Program For Use in San José	Management Partners completed an analysis of Citistat in large local governments and presented this work to the Mayor in June 2007. Management Partners determined that San José has taken two major steps at the policy level: adoption of key City priorities and assignment of performance measures to City Council committees

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	to assess performance in the future. It was recommended that the new City Manager build on these steps to establish an effective management reporting system.
Review of City-Owned Assets – Review Assets and Facilities that Require General Fund Subsidies so the City Council Can Determine if They are Performing as Expected or if They Should be Reorganized, Refinanced, Sold, Leased, or Closed	The Administration will continue to analyze the fiscal status of City-owned assets and facilities that require General Fund subsidies and bring regularly to City Council status reports and any appropriate recommendations for changes in financial relationships that may improve the City's investment.
Labor Intensive Processes – Evaluate Opportunities to Streamline, Automate, or Eliminate Labor Intensive Business Processes and Report the Results to the Public Safety, Finance and Strategic Support Committee; Also, Consider Proposals by the City Labor Alliance on Ways the City Can Operate More Efficiently	The City Administration is formulating an internal team to address the General Fund structural deficit. Among its many tasks, the team will evaluate opportunities to streamline, automate, or eliminate labor intensive business processes. As directed by the City Council in their approval of the Mayor's March Budget Message, full stakeholder input will be included during this review and evaluation process. Recommendations of this team will be brought to the City Council as part of the 2008-2009 budget process.
City Council Directives – Make Recommendations on Prioritizing and Possibly Eliminating Old Council Directives and Report to the City Council	Recommendations on prioritizing and eliminating old City Council directives were brought forward for City Council consideration and approval in June 2007.
Labor Contracts – Create a Labor Contracts Task Force to Look at Upcoming Labor Contracts and Review Those Items that Contribute to the Structural Deficit and Present Outcomes and Recommendations to the City Council	The City Administration is formulating an internal team to address the General Fund structural deficit. Among its many tasks, the team will look at upcoming labor contracts and review those items that contribute to the structural deficit. As directed by the City Council in their approval of the Mayor's March Budget Message, full stakeholder input will be included during this review and evaluation process. Outcomes and recommendations of this team will be brought to the City Council as part of the 2008-2009 budget process.

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<p>Cost Expenditures – Identify All Elements of General Fund Cost Expenditures that are Growing Faster than Projected Revenues</p>	<p>An informational memorandum regarding General Fund Cost Expenditures was distributed as a Manager's Budget Addendum during the budget process.</p>
<p>Accounts Receivable Collections – Evaluate the City's Accounts Receivables and Develop a Collections Strategy and Present the Results to the Public Safety, Finance and Strategic Support Committee</p>	<p>The Adopted Budget contains the approved continued implementation of a Finance Department Revenue Collection Strategic Plan that was initially approved as part of the 2006-2007 Mid-Year Budget Review. With the addition of five support positions, fully offset by new revenue collections, existing investigator collector positions will be better able to focus on collection efforts for those accounts that were previously considered "uncollectible" and new accounts (non-compliant businesses) found through database searches and field audits to increase City revenues. The Finance Department will be reporting on this plan at the Public Safety, Finance and Strategic Support Committee meeting in August 2007.</p>
<p>GASB 43/45 – List Options to Begin Addressing GASB 43/45 for City Council to Consider</p>	<p>An internal GASB 43/45 team was formed in fall 2006, consisting of staff from the City Manager's Office, Budget Office, Office of Employee Relations, Finance Department, Retirement Department, and Human Resources Department to review and analyze the City's unfunded liability for retiree healthcare (estimated to be as high as \$1.65 billion, with annual contributions of \$126.1 million) as well as develop strategies and concepts to be explored and recommended to the City Council. As directed by the City Council in their approval of the Mayor's March Budget Message, full stakeholder input will be included during the review and evaluation process. Because that work is still in progress and in recognition of the unfunded liability, the Adopted Budget included an initial investment of \$2.0 million to be placed in reserve pending completion of a comprehensive strategy to address this issue.</p>

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Officeholder Accounts – Provide Funding in the Event the City Council Decides to Eliminate Officeholder Accounts	A total of \$125,000 was placed in an Earmarked Reserve in the event the City Council decides to eliminate officeholder accounts. The Rules Committee is currently discussing this item as part of the Council Reimbursement Policy.
Elections Commission – Work With the City Clerk to Ensure Sufficient Funding for the Elections Commission to Complete Referrals the Elections Commission has Received from the City Council	Ongoing funding totaling \$90,000 is budgeted for the Elections Commission as displayed in the City-Wide Expenses section of this document. In 2006-2007, the ongoing funding was increased by \$80,000, from \$10,000 to \$90,000. It is currently projected that this base funding will be sufficient for 2007-2008; however, if additional funding is necessary to complete City Council referrals to the Elections Commission, a funding augmentation will be brought forward for City Council consideration during the Mid-Year Budget Review.
Infrastructure Needs and Funding – Create a Two-Year Infrastructure Work Plan to Identify Prioritized Needs and Potential Funding Mechanisms and Propose Infrastructure Conditions Standards and Present These Findings to the Transportation and Environment Committee	A Two-Year Infrastructure Work Plan was brought forward to the Transportation and Environment Committee in May 2007. This work plan's focus is the reduction of deferred maintenance and infrastructure backlog for the City's facilities. As part of the work plan, staff will identify infrastructure condition standards, prioritized needs, and potential funding mechanisms by fall 2007.
Business Tax Amnesty Program – Develop and Present to the City Council for Action a Business Tax Amnesty Program as Part of the Development Permitting Process	The Finance Department in conjunction with the Planning, Building and Code Enforcement Department is developing a Business Tax Outreach Program as part of the development permitting process. Program recommendations will be brought forward to the City Council for consideration in fall 2007.
Upcoming Budget Process – Provide Council Members With a Schedule for When Budget Balancing Suggestions and Ideas are Needed in Order to Accurately Estimate Potential Savings and Impacts on Services and the Community	An informational memorandum to inform City Council Offices on the process for the collection and distribution of Council Member proposals was distributed on April 16. An overview training on this process with Chiefs of Staff and Council Assistants was held on April 27, 2007.